



Do Things Differently

Posted by **Pierluigi Oliverio** on Monday, November 09, 2009

Last week, the council had a special meeting to discuss the upcoming \$96 million budget shortfall. \$96 million is the equivalent of eliminating all library, park and community center positions citywide. My fellow councilmembers and I gave the city manager direction on how best we think the budget gap could be closed.

The first part of the meeting covered the shortfall—which may still grow by either continued lagging revenues from sales taxes and property taxes, or the state legislature grabbing more city funds. It is clear that there are no easy answers. I hear people say “since the stock market is up then the city budget will be ok.” The stock market going up does not provide jobs to unemployed San Jose residents nor does it bring revenues to pay for city services. The only benefit is it might reduce our pension matches slightly next year; however our pension portfolios are invested in more than equities.

We spent time talking about raising taxes on residents, such as a sales tax increase to pay for city services. I said that I would prefer that we increase taxes on card clubs and allow them more tables as allowed by state law, which would bring in as much as \$12 million. The card clubs already bring the city approximately \$13 million each year.

I also mentioned that taxing medicinal marijuana would help our budget deficit as well.

We then went on to options that would reduce per-employee cost, whether it be pay cuts, increasing medical co-payments or 2nd tier retirement plans for city employees not yet hired. As you would expect none of these options were popular with the council.

Then city management unveiled, its “Approach to Prioritizing City Services” AKA “Core Services.” This concept would be a long stakeholder engagement process that would include scoring and weighing the value of 450 city programs identified so far. However it would not necessarily eliminate programs that scored low. The

presentation contained buzz words like «engaging stakeholders,» «peer review,» «finalize a work plan.»

Others said it is not right to prioritize and rank since it puts certain city services against each other. I shared that I am willing to participate, but that the approach presented is meant to give “political cover” in making decisions.

I believe that we can’t make paid interest groups happy all the time and at some point we have to vote to make changes that may be unpopular. The Council was elected to make decisions on behalf of everyone in their district and City, not just a few. This process could take a year, therefore, I immediately offered what my core city services are: Police, Sewers, Fire, Streets, Planning, Emergency Preparedness, Economic Development, Libraries, Parks and Code Enforcement. The presentation left out an obvious city priority: infrastructure. Without sewers and streets life in a city comes to a stop.

At the end of the meeting, the Council voted on my memo titled, “Make Union Negotiations Public.” The memo asked that closed door union negotiation meetings, which take up 75 percent of the city’s budget be public meetings. It did not pass on a 3-8 vote. The majority of the council voted to keep these meetings behind closed doors even though these past meetings are why we have a structural budget deficit.

I have posted the presentation from the meeting on my Council website labeled, **2010-11 Budget Planning – Nov. 5, 2009.**

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